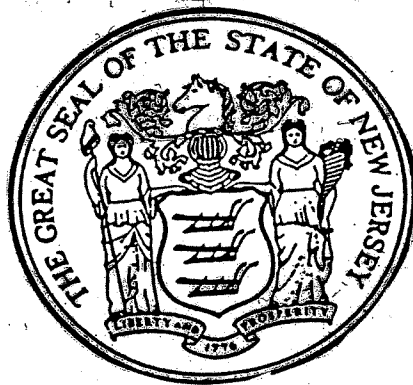


# QUARTERLY REPORT

**LICENSEE** ADAMAR OF NEW JERSEY, INC.  
TROPICANA CASINO & RESORT

**FOR THE QUARTER ENDED** SEPT 30, 20 03

**TO THE  
CASINO CONTROL COMMISSION  
STATE OF NEW JERSEY**



**DIVISION OF FINANCIAL EVALUATION  
REPORTING MANUAL**

## BALANCE SHEETS

AS OF SEPTEMBER 30, 2003 AND 2002

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
	<b>ASSETS</b>		
	Current Assets:		
1	Cash and Cash Equivalents.....	\$ 17,985	\$ 19,877
2	Short-Term Investments.....	0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2003, \$13,291 ; 2002, \$15,129).....	12,168	14,283
4	Inventories.....	3,193	3,442
5	Prepaid Expenses and Other Current Assets.....	12,716	13,354
6	Total Current Assets.....	46,062	50,956
7	Investments, Advances, and Receivables..... (Note 4, 5).....	20,941	19,146
8	Property and Equipment - Gross..... (Note 2).....	917,612	795,953
9	Less: Accumulated Depreciation and Amortization..... (Note 2).....	(253,850)	(232,355)
10	Property and Equipment - Net..... (Note 2).....	663,762	563,598
11	Other Assets.....	17,859	9,864
12	Total Assets.....	\$ 748,624	\$ 643,564
	<b>LIABILITIES AND EQUITY</b>		
	Current Liabilities:		
13	Accounts Payable.....	\$ 6,409	\$ 6,400
14	Notes Payable.....	0	0
	Current Portion of Long-Term Debt:		
15	Due to Affiliates.....	0	0
16	Other..... (Note 3).....	139	384
17	Income Taxes Payable and Accrued.....	0	0
18	Other Accrued Expenses.....	23,969	25,857
19	Other Current Liabilities.....	19,453	9,895
20	Total Current Liabilities.....	49,970	42,536
	Long-Term Debt:		
21	Due to Affiliates..... (Note 3, 5).....	447,000	447,000
22	Other..... (Note 3).....	94	222
23	Deferred Credits.....	0	0
24	Other Liabilities..... (Note 5).....	125,358	19,106
25	Commitments and Contingencies..... (Note 4).....	0	0
26	Total Liabilities.....	622,422	508,864
27	Stockholder's, Partners', or Proprietor's Equity.....	126,202	134,700
28	Total Liabilities and Equity.....	\$ 748,624	\$ 643,564

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

## STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2003 AND 2002

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
	Revenue:		
1	Casino.....	\$ 291,859	\$ 307,039
2	Rooms.....	36,673	36,842
3	Food and Beverage.....	39,273	40,410
4	Other.....	11,003	11,069
5	Total Revenue.....	378,808	395,360
6	Less: Promotional Allowances.....	67,296	71,362
7	Net Revenue.....	311,512	323,998
	Costs and Expenses:		
8	Cost of Goods and Services..... (Note 5).....	175,604	182,234
9	Selling, General, and Administrative..... (Note 5).....	43,028	46,420
10	Provision for Doubtful Accounts.....	999	1,900
11	Total Costs and Expenses.....	219,631	230,554
12	Gross Operating Profit.....	91,881	93,444
13	Depreciation and Amortization.....	21,644	20,691
	Charges from Affiliates Other than Interest:		
14	Management Fees..... (Note 5).....	25,150	25,091
15	Other.....	0	0
16	Income (Loss) from Operations.....	45,087	47,662
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates..... (Note 3).....	(41,231)	(40,410)
18	Interest (Expense) - External..... (Note 3).....	5,700	1,804
19	Investment Alternative Tax and Related Income (Expense) - Net...(Note 4).....	(251)	2,398
20	Nonoperating Income (Expense) - Net.....	(3,272)	(4,122)
21	Total Other Income (Expenses).....	(39,054)	(40,330)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	6,033	7,332
23	Provision (Credit) for Income Taxes.....	13,933	5,807
24	Income (Loss) Before Extraordinary Items.....	(7,900)	1,525
25	Extraordinary Items (Net of Income Taxes - 2003, \$0 ; 2002, \$0 ) .....	0	0
26	Net Income (Loss).....	\$ (7,900)	\$ 1,525

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

# STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2003 AND 2002

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
	Revenue:		
1	Casino.....	\$ 98,680	\$ 110,973
2	Rooms.....	13,805	13,232
3	Food and Beverage.....	13,084	14,392
4	Other.....	4,323	4,172
5	Total Revenue.....	129,892	142,769
6	Less: Promotional Allowances.....	22,962	26,078
7	Net Revenue.....	106,930	116,691
	Costs and Expenses:		
8	Cost of Goods and Services..... (Note 5).....	59,401	63,973
9	Selling, General, and Administrative..... (Note 5).....	14,688	16,492
10	Provision for Doubtful Accounts.....	262	750
11	Total Costs and Expenses.....	74,351	81,215
12	Gross Operating Profit.....	32,579	35,476
13	Depreciation and Amortization.....	7,274	7,028
	Charges from Affiliates Other than Interest:		
14	Management Fees..... (Note 5).....	7,500	7,500
15	Other.....	0	0
16	Income (Loss) from Operations.....	17,805	20,948
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates..... (Note 3).....	(13,900)	(13,559)
18	Interest (Expense) - External..... (Note 3).....	2,367	773
19	Investment Alternative Tax and Related Income (Expense) - Net...(Note 4).....	(164)	(23)
20	Nonoperating Income (Expense) - Net.....	(1,136)	(1,024)
21	Total Other Income (Expenses).....	(12,833)	(13,833)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	4,972	7,115
23	Provision (Credit) for Income Taxes.....	12,503	5,644
24	Income (Loss) Before Extraordinary Items.....	(7,531)	1,471
25	Extraordinary Items (Net of Income Taxes - 2003, \$0 ; 2002, \$0 ) .....	0	0
26	Net Income (Loss).....	\$ (7,531)	\$ 1,471

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

# STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2003

(UNAUDITED)  
(\$ IN THOUSAND)

Line (a)	Description (b)	Common Stock		Preferred Stock	Amount (c)	Additional Paid-In Capital (e)	(b)	Retained Earnings (Accumulated) (Debit) (g)	Total Stockholder's Equity (Debit) (g)
		Shares (d)	Amount (d)						
1	Balance, December 31, 2001		100 \$	1	0 \$	0 \$	127,071 \$	0	133,175 \$
2	Net Income (Loss) - 2002							927	927
3	Contribution to Paid-in-Capital								
4	Dividends								
5	Prior Period Adjustments								
6									
7									
8									
9									
10	Balance, December 31, 2002		100 \$	1	0 \$	0 \$	127,071 \$	0 \$	134,102 \$
11	Net Income (Loss) - 2003							(7,900)	(7,900)
12	Contribution to Paid-in-Capital								
13	Dividends								
14	Prior Period Adjustments								
15									
16									
17									
18									
19	Balance, September 30, 2003		100 \$	1	0 \$	0 \$	127,071 \$	0 \$	126,202 \$

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE

TROPICANA CASINO AND RESORT**STATEMENTS OF CASH FLOWS**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2003 AND 2002

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ 91,592	\$ 31,769
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....		
3	Proceeds from the Sale of Short-Term Investment Securities.....		
4	Cash Outflows for Property and Equipment.....	(92,774)	(37,143)
5	Proceeds from Disposition of Property and Equipment.....	40	6
6	Purchase of Casino Reinvestment Obligations.....	(3,673)	(3,885)
7	Purchase of Other Investments and Loans/Advances made.....		
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	1,858	13,343
9	Cash Outflows to Acquire Business Entities.....		
10			
11			
12	Net Cash Provided (Used) By Investing Activities.....	(94,549)	(27,679)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....		
14	Payments to Settle Short-Term Debt.....		
15	Cash Proceeds from Issuance of Long-Term Debt.....		
16	Costs of Issuing Debt.....		
17	Payments to Settle Long-Term Debt.....	(94)	(1,547)
18	Cash Proceeds from Issuing Stock or Capital Contributions.....		
19	Purchases of Treasury Stock.....		
20	Payments of Dividends or Capital Withdrawals.....		
21			
22			
23	Net Cash Provided (Used) By Financing Activities.....	(94)	(1,547)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(3,051)	2,543
25	Cash and Cash Equivalents at Beginning of Period.....	21,036	17,334
26	Cash and Cash Equivalents at End of Period.....	\$ 17,985	\$ 19,877

	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized).....	\$ (5,700)	\$ 37,637
28	Income Taxes.....	\$	\$

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

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TRADING NAME OF LICENSEE

TROPICANA CASINO AND RESORT

# STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2003 AND 2002

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss).....	\$ (7,900)	\$ 1,525
	Noncash Items Included in Income and Cash Items		
	Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	21,644	20,446
31	Amortization of Other Assets.....	0	245
32	Amortization of Debt Discount or Premium.....	(11)	(56)
33	Deferred Income Taxes - Current.....	41	(7)
34	Deferred Income Taxes - Noncurrent.....	(4,370)	820
35	(Gain) Loss on Disposition of Property and Equipment.....	138	1,091
36	(Gain) Loss on Casino Reinvestment Obligations.....	138	(2,709)
37	(Gain) Loss from Other Investment Activities.....		
	Net (Increase) Decrease in Receivables and Patrons'		
38	Checks.....	1,810	2,119
39	Net (Increase) Decrease in Inventories.....	65	(185)
40	Net (Increase) Decrease in Other Current Assets.....	(2,487)	(915)
41	Net (Increase) Decrease in Other Assets.....	(1,573)	(514)
42	Net Increase (Decrease) in Accounts Payable.....	(2,799)	(5,123)
	Net Increase (Decrease) in Other Current Liabilities		
43	Excluding Debt.....	877	4,028
	Net Increase (Decrease) in Other Noncurrent Liabilities		
44	Excluding Debt.....	86,019	11,004
45	Extraordinary items (net of tax).....		
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 91,592	\$ 31,769

## SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment.....	\$ (92,774)	\$ (37,143)
49	Less: Capital Lease Obligations Incurred.....	0	0
50	Cash Outflows for Property and Equipment.....	\$ (92,774)	\$ (37,143)
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired.....	\$ 0	\$ 0
52	Goodwill Acquired.....	0	0
	Net Assets Acquired Other than Cash, Goodwill, and		
53	Property and Equipment.....	0	0
54	Long-Term Debt Assumed.....	0	0
55	Issuance of Stock or Capital Invested.....	0	0
56	Cash Outflows to Acquire Business Entities.....	\$ 0	\$ 0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contributions.....	\$ 0	\$ 0
58	Less: Issuances to Settle Long-Term Debt.....	0	0
59	Consideration in Acquisition of Business Entities.....	0	0
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ 0	\$ 0

Capital Lease Obligations of \$0 and \$0 were incurred for 2003 and 2002, respectively.  
Capital lease obligation retirements of \$0 and \$0 were incurred for 2003 and 2002, respectively.

TRADING NAME OF LICENSEE

TROPICANA CASINO AND RESORT

# SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2003

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	227,058	\$ 17,353	0	\$ 0
2	Food	1,816,762	17,804	4,207	41
3	Beverage	5,920,190	7,230	0	0
4	Travel	0	0	9,107	3,187
5	Bus Program Cash	487,832	7,260	0	0
6	Other Cash Complimentaries	990,166	14,168	0	0
7	Entertainment	20,400	41	29,185	584
8	Retail & Non-Cash Gifts	0	0	87,006	870
9	Parking	0	0	0	0
10	Other	936,060	3,440	243,925	1,194
11	Total	10,398,468	\$ 67,296	373,430	\$ 5,876

\*\* There are no complimentary services or items in Line 10 "other" which exceeds 5% of that column's total.

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2003

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	80,154	\$ 6,050	0	\$ 0
2	Food	642,360	6,295	1,497	14
3	Beverage	2,047,837	2,499	0	0
4	Travel	0	0	2,582	903
5	Bus Program Cash	173,366	2,534	0	0
6	Other Cash Complimentaries	330,376	4,367	0	0
7	Entertainment	0	0	8,224	165
8	Retail & Non-Cash Gifts	0	0	32,300	323
9	Parking	0	0	0	0
10	Other	332,580	1,217	100,721	653
11	Total	3,606,673	\$ 22,962	145,324	\$ 2,058

\*\* There are no complimentary services or items in Line 10 "other" which exceeds 5% of that column's total.



ADAMAR OF NEW JERSEY, INC.  
DBA TROPICANA CASINO AND RESORT  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2003 AND 2002

**NOTE 1. DISCLOSURES NOT PRESENTED AND RECENT ACCOUNTING PRONOUNCEMENTS**

Certain footnotes have not been presented in these Notes to Consolidated Financial Statements. These footnotes would be a duplicate of items contained in the Casino Control Commission Annual Report for the year ended December 31, 2002.

The specific footnotes not presented are the Summary of Significant Accounting Policies and Lease Obligations. The footnotes contained in the December 31, 2002 Annual Report should be read in conjunction with these financial statements.

In the first quarter of 2001, the Emerging Issues Task Force ("EITF") reached a consensus on certain issues in EITF 00-22 "Accounting for Points and Certain Other Time-Based or Volume-Based Sales Incentive Offers, and Offers for Free Products or Services to Be Delivered in the Future", which addresses the income statement classification of the value of the points redeemable for cash awarded under point programs. Per the consensus, the cost of these programs should be reported as a contra-revenue, rather than as an expense.

EITF 00-14 "Accounting for Certain Sales Incentives", which is effective January 1, 2002, focuses on the accounting for, and presentation of, discounts, coupons, and rebates. EITF 00-14 requires that cash or equivalent amounts provided or returned to customers as part of a single exchange transaction should not be shown as an expense but should be an offset to the related revenue.

Beginning September 30, 2002, the Casino Control Commission has required these classifications be made and accordingly, we have restated the comparable 2002 periods.

**NOTE 2. PROPERTY AND EQUIPMENT**

At September 30, 2003 and 2002, the components of Property and Equipment consisted of:

	<u>2003</u>	<u>2002</u>
Land and land improvements	\$ 49,974,000	\$ 49,974,000
Building and improvements	577,313,000	564,459,000
Furniture, fixtures and equipment	140,944,000	133,082,000
Leased personal property	2,254,000	4,319,000
Construction in progress	<u>147,127,000</u>	<u>44,119,000</u>
Total property and equipment-gross	917,612,000	795,953,000
Accumulated depreciation	<u>(253,850,000)</u>	<u>(232,355,000)</u>
Total property and equipment	\$ 663,762,000 =====	\$ 563,598,000 =====

**NOTE 3. LONG-TERM DEBT**

At September 30, 2003 and 2002, Long-Term Debt consisted of:

Due to Affiliates:	<u>2003</u>	<u>2002</u>
Notes Payable - Aztar Corporation; 12.0% due 2004	\$ 447,000,000	\$ 447,000,000
Long-term debt due to affiliates	447,000,000	447,000,000
Obligations under capital leases	<u>233,000</u>	<u>606,000</u>
Total Affiliates and Other	447,233,000	447,606,000
Less: current portion	<u>(139,000)</u>	<u>(384,000)</u>
Total long-term debt	\$ 447,094,000 =====	\$ 447,222,000 =====

Substantially all of the Company's property and equipment is pledged as collateral for long-term debt.

**NOTE 4. COMMITMENTS AND CONTINGENCIES**

Licensing

On November 26, 1982, the Company was granted a plenary gaming license by the New Jersey Casino Control Commission. The license is renewable every four years. The license renewal period is effective through November 30, 2003. On November 12, 2003 the license was renewed effective December 1, 2003 through November 30, 2007. Management has received no indication that future renewals will not be granted.

The Company is a party to various claims, legal actions and complaints arising in the ordinary course of business or asserted by way of defense or counter-claim in actions filed by the Company. Management believes that its defenses are substantial in each of these matters, and the Company's legal posture can be successfully defended or satisfactorily settled without material adverse effect on its consolidated financial position.

The New Jersey Casino Control Commission imposes an annual tax of eight percent on gross casino revenue. Pursuant to legislation adopted in 1984, casino licensees are required to invest an additional one and one-quarter percent of gross casino revenue for the purchase of bonds to be issued by the Casino Reinvestment Development Authority ("CRDA") or make other approved investments equal to that amount; in the event the investment requirement is not met, the casino licensee is subject to a tax of two and one-half percent on gross casino revenue. As mandated by the legislation, the interest rate of the CRDA bonds purchased by the licensee will be two-thirds of the average market rate for bonds available for purchase and published by a national bond index at the time of the CRDA bond issuance. The CRDA bonds have various contractual maturities that range from 11 to 44 years. Actual maturities may differ from contractual

maturities because of prepayment rights. The Company's reinvestment obligation for 2003 and 2002, respectively, was \$3,673,000 and \$3,885,000 for the purchase of CRDA bonds. The Company recorded a loss provision for 2003 of \$138,000. For 2002 the Company recorded a loss provision of \$561,000 offset by a gain of \$3,269,000 resulting from the return of our CRDA deposits. The loss provision is to recognize the effect of the below market interest rate the bonds would have borne had they been issued on September 30, 2003.

In May 1996, the Company completed construction on an expansion project. The expansion consisted primarily of a new 604-room hotel tower, with additional restaurant and support facilities in the existing operation. The Company has executed a credit agreement with the CRDA for approximately \$24,500,000 in funding for this project. The Company receives funds from the CRDA based on expenditures made for the project to the extent the Company has available funds on deposit with the CRDA that qualify for this funding. As of September 30, 2003, the Company received approximately \$24,450,000 in funding from the CRDA under this agreement and had approximately \$50,000 in available deposits with the CRDA that qualify and accordingly reclassified this amount to accounts receivable. The balance of funding will be realized from portions of future CRDA deposits.

In April 2002, the Company commenced construction on a major expansion project. The expansion will consist primarily of a retail, dining and entertainment complex along with a 502-room convention hotel tower. The Company has executed a credit agreement with the CRDA for approximately \$20,100,000 in funding in connection with this expansion project. The Company receives funds from the CRDA based on expenditures made for the project to the extent the Company has available funds on deposit with the CRDA that qualify for this funding. As of September 30, 2003, the Company received approximately \$16,300,000 in funding from the CRDA under this agreement and had approximately \$400,000 in available deposits with the CRDA that qualify and accordingly reclassified this amount to accounts receivable. The balance of funding will be realized from portions of future CRDA deposits.

At September 30, 2003, the Company had commitments of approximately \$ 82,000,000 for the Atlantic City Tropicana expansion project.

#### **NOTE 5. RELATED PARTIES**

Transactions with affiliates consist of expenditures by affiliates on the Company's behalf including purchases of assets, facility rental, and administrative expenses or cash advances to affiliates or other receivables from affiliates. The Company has many significant transactions with Aztar.

Aztar performs various corporate services for the Company. For the period ended September 30, 2003 and 2002, Aztar charged the Company a management fee of \$25,150,000 and \$25,091,000, respectively.

Due to affiliates is reflected in Other Liabilities. The identity of the affiliate and corresponding balances at September 30, 2003 and 2002 are:

	<u>2003</u>	<u>2002</u>
Due to Aztar Corporation	\$106,436,000	\$ 4,777,000
Due to Ramada New Jersey, Inc.	257,000	182,000
Due to Adamar Garage Corporation	16,088,000	11,388,000
Due to Atlantic Deauville, Inc.	<u>235,000</u>	<u>165,000</u>
	\$123,016,000	\$ 16,512,000
	=====	=====

Advances to affiliates are reflected in Investments, Advances and Receivables. The identity of the affiliate and corresponding balances at September 30, 2003 and 2002 are:

	<u>2003</u>	<u>2002</u>
Advances to Tropicana West	\$ <u>1,829,000</u>	\$ <u>1,820,000</u>
	\$ 1,829,000	\$ 1,820,000
	=====	=====

Notes payable to related parties are included in Long-term debt to affiliates (See Note 3). The identity of the affiliate and corresponding balances at September 30, 2003 and 2002 are:

<u>PAYEE</u>	<u>2003</u>	<u>2002</u>
Aztar Corporation	\$ 447,000,000	\$ 447,000,000

For the nine months ended September 30, 2003 and 2002 the Company incurred charges from affiliates which are indicated in the accompanying Statements of Income as Cost of Goods and Services and Selling, General, and Administrative. The nature of the charges and dollar amounts are as follows:

	<u>2003</u>	<u>2002</u>
<u>COST OF GOODS AND SERVICES</u>		
Executive deferred compensation plan	\$ 3,000	\$ 4,000
Property insurance	<u>1,814,000</u>	<u>1,017,000</u>
	<u>1,817,000</u>	<u>1,021,000</u>

SELLING, GENERAL AND ADMINISTRATIVE

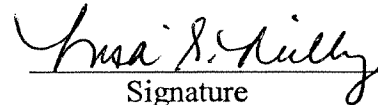
Insurance	426,000	249,000
Executive deferred compensation plan	19,000	18,000
Claims	191,000	100,000
Professional services	<u>2,000</u>	<u>3,000</u>
	<u>638,000</u>	<u>370,000</u>
Total	\$ 2,455,000 =====	\$1,391,000 =====

**NOTE 6. SUBSEQUENT EVENT**

An accident occurred on the site of the construction of the parking-garage component of the expansion of the Atlantic City Tropicana on Thursday, October 30, 2003. The accident resulted in four fatalities and serious injuries to over 20 workers, as well as extensive damage to the facilities under construction. Access to the property was limited during the subsequent days because some of the streets surrounding the property were closed. In addition, the Company's operations have been disrupted by the temporary closure of one of the property's three hotel towers (the West Tower, containing 600 rooms) and the parking garages that are a part of the existing property. Most points of access were largely restored as of November 2, while the West Tower, the parking garages and the pedestrian bridge over Pacific Avenue were restored November 11. The bus terminal is partially available for use while measures are taken to make the area safe and permit removal of debris. The Company is awaiting the results of an investigation to determine the extent of damages and the effects of the accident on the operation of the property and the construction of the expansion and the timing of its opening. The Company has insurance coverage, including business interruption insurance.

## STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

  
Signature

Controller \_\_\_\_\_

005939-11  
License Number

On Behalf of:

Tropicana Casino & Resort  
Casino Licensee